

NOTE: Appearing first is the Full Board summary which is the last meeting of the day. The committees will follow in the order of which time they were conducted. The Dealer Board staff felt it would benefit our readers to have the last meeting of the day appear first on the website.

~ 1ST DRAFT ~

Meeting Summary
Motor Vehicle Dealer Board
Monday, September 8, 2003

Vice-Chairman Steve Farmer called the Dealer Board meeting to order at 12:10 p.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 14 members present. Present were members Bobby Joe Dotson, Todd Hyman, Clyde King, Hugh McCreight, Jim Mitchell, Pat Patrick, Max Pearson, Frank Pohanka, Ted Robertson, Vince Sheehy, Larry Shelor, Leo Trenor and Robert Woodall. (Absent: Carlton, Courter, D.B. Smit, Chris Schroeder, Rick Hunt and Al Lacy). Bruce Gould, Peggy Bailey, Debbie Allison and Katherine Idrissi represented the Dealer Board. Gail Morykon represented DMV. Rick Walton represented the Attorney General's Office. Alice Weedon acted as Recording Secretary.

The July 14, 2003 meeting summary was approved.

PUBLIC COMMENT

As requested in Dealer Practices, Mr. Joseph Lazarsky, counsel for Mr. Mohammad Sohrabian and Star Motors, requested the members to re-consider a decision made by the Committee at the May meeting. The Committee and Full Board voted to suspend all licenses and certificates for one year and assess a civil penalty of \$8,250 for violations of VA Code Sections 46.2-1515, 1529, 1532, 1548, 1550.2 and 1559. He requested that the Committee approve the hearing officer's original recommendation of 10 days suspension of all licenses and certificates and a civil penalty of \$8,250. His rationale for the request is the claim by Mr. Sohrabian that he attempted to comply with the law and made every effort to bring his dealership into compliance. Mr. Lazarsky stated that if licenses are suspended for 12 months, then Mr. Sohrabian will go out of business.

STATUTORY COMMITTEE REPORTS:

Dealer Practices Committee:

Chairman Todd Hyman summarized discussions held and actions that were taken during the Committee Meeting.

- **Ms. Margie Greer.** Chairman Hyman summarized for the Board the discussion held in the Committee meeting regarding Margie Greer. Based on that discussion and the recommendation in the case, Mr. Hyman made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Ms. Margie Greer, for alleged violations of Va. Code §46.2-1537, compensating an individual, who is not licensed by the dealership, in the connection of the sale of a motor vehicle. Based on due consideration, and the report of a hearing officer the Board believes a civil penalty should be levied

against Ms. Margie Greer. The Board hereby assess a civil penalty in the amount of \$300 on Margie Greer for three violations of Va. Code §46.2-1537.

Bobby Joe Dotson seconded. The motion passed unanimously.

- **George Lovelace and D & K Auto Sales.** Chairman Hyman summarized for the Board the discussion held in the Committee meeting regarding George Lovelace and D & K Auto Sales. Based on that discussion and the recommendation in the case, Mr. Hyman made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Mr. George H. Lovelace t/a D & K Auto Sales for alleged violations of Va. Code §46.2-1575(9) having been convicted of any criminal act involving the sale of vehicles; and §46.2-1575(6), deceptive acts or practices. Based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Mr. George H. Lovelace. The Board hereby assesses a civil penalty in the amount of \$300 on Mr. George Lovelace for violations of Va. Code §46.2-1575(9).

Clyde King seconded. The motion passed unanimously.

Licensing Committee:

Chairman Bobby Joe Dotson summarized discussions held and actions that were taken during the Committee Meeting.

- **Derrick L. Wayland, Sr.** Chairman Dotson summarized for the Board the discussion held in the Committee meeting regarding Derrick L. Wayland, Sr. Based on that discussion and the recommendation in the case, Mr. Dotson made the following motion: The Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning Mr. Derrick L. Wayland for alleged violations of Va. Code §46.2-1575(9) having been convicted of any criminal act involving the sale of vehicles. Based on due consideration, and the report of the hearing officer, the Board believes that Mr. Derrick L. Wayland's motor vehicle salesperson's license and certificate of qualification should be revoked. The Board hereby revokes all licenses and certificates issued to Mr. Derrick L. Wayland for violations of Va. Code §46.2-1575(9).

Clyde King seconded. The motion passed unanimously.

Advertising Committee:

Chairman Vince Sheehy summarized discussions that were held during the Committee Meeting.

- **Advertisements to be Reviewed:** Chairman Vince Sheehy summarized for the Board the discussion held in the Committee meeting regarding the Advertisements. Based on that discussion, Vince Sheehy indicated that the following direction was given to staff:
 - When advertising the price of a vehicle in the body of the advertisement, and that price includes all rebates and incentives, the disclaimer cannot simply state something like "prices includes all rebates and incentives". Each rebate or incentive must be listed either in the body of the advertisement or in the disclaimer in such a way that the reader (consumer) can determine which rebates/incentives they can qualify for.

- Advertisements that state a monthly payment that is based on a “balloon” payment must state in the body of the advertisement (near the payment statement) that there is a balloon payment.

Transaction Recovery Fund Committee:

Vice-Chairman Bobby Joe Dotson summarized discussions held and actions that were taken during the Committee Meeting.

- Vice-Chairman Dotson summarized for the Board the discussion held in the Committee meeting regarding Shanique Eason and Diamond Kar Kare and reported that the Committee voted to accept the hearing officer’s recommendation. Discussion followed and based on that discussion, Mr. Dotson made the following motion: Pursuant to Section 46.2-1527.1 et seq. of the Code of Virginia, which is known as the Motor Vehicle Transaction Recovery Fund (“Fund”), the Board has reviewed and considered claims submitted for payment from the Fund, and based on due consideration and recommendation of the agency representative, the Board believes the following claims should be approved. The Board hereby reaffirms the approval of the following claims and amount:

Claimant:	Vehicle:	Amount:
Shanique Eason	Jeep Cherakee	\$20,000.00
	Oldsmobile Aurora	\$12,383.46

- **Finance Report.** Bruce Gould gave the FY2004 Budget Report for June.
- **Franchise Reports.** Bruce Gould gave an update on the Franchise Hearings.

NEW BUSINESS

- **Executive Director’s Report.** Bruce Gould welcomed the new Board members. Staff is in the process of hiring a new Field Representative to replace the two that have retired. In hiring just one, it will help with the budget reductions. Applications have been received and Debbie Allison is in the process of scheduling interviews. A new feature has been added to the website. The button is called “Dealer-Look-Up”. By using this function, it will give you the name and address of the dealership and the owner’s name. Former Board Members will be invited to the November Board Meeting. At the November meeting they will be formally recognized and thanked for their service to the Board. Mr. Gould will be hosting a workshop with his peers. It will be held in Virginia Beach in about two weeks. A publication called Automotive Executives has contacted Bruce and is writing an article about the Motor Vehicle Dealer Board.

The next meeting will be scheduled for November 10, 2003.

There being no further business to come before the Motor Vehicle Dealer Board, Vice-Chairman Farmer adjourned the meeting at 12:38 p.m.

Meeting Summary
Dealer Practices Committee
Monday, September 8, 2003

Chairman Todd Hyman called the Dealer Practices Committee meeting to order at 9:05 a.m. in Room 702 of the DMV Headquarters Building at 2300 W. Broad Street in Richmond. Present were members: Vince Sheehy, Bobby Joe Dotson, Clyde King, Hugh McCreight, James Mitchell, Pat Patrick, Frank Pohanka, Ted Robertson, Robert Woodall. (Absent: Chris Schroeder) Other members present: Leo Trenor, Steve Farmer, Max Pearson, Larry Shelor. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison and Katherine Idrissi represented the Dealer Board. Gail Morykon was present from DMV. Rick Walton was present from the Attorney General's Office.

The July 14, 2003 meeting summary was approved.

PUBLIC COMMENT

Joseph Lazarsky, counsel for Mr. Mohammad Sohrabian and Star Motors, requested the members to reconsider a decision made by the Committee at the May meeting. The Committee and Full Board voted to suspend all licenses and certificates for one year and assess a civil penalty of \$8,250 for violations of VA Code Sections 46.2-1515, 1529, 1532, 1548, 1550.2 and 1559. He requested that the Committee approve the hearing officer's original recommendation of 10 days suspension of all licenses and certificates and a civil penalty of \$8,250. His rationale for the request is the claim by Mr. Sohrabian that he attempted to comply with the law and made every effort to bring his dealership into compliance. Mr. Lazarsky stated that if licenses are suspended for 12 months, then Mr. Sohrabian will go out of business.

OLD BUSINESS

- **Premier Auto and Edward Mayo.** At the May Committee meeting, Debbie Allison reported that Mr. Mayo sold approximately 30 vehicles over E-bay and failed to either provide titles to the buyers or did not deliver the vehicles after being paid. Ms. Allison updated the Committee and indicated that Mr. Mayo pled guilty on August 12, 2003 to conspiracy to commit bank fraud charges in federal court. He will be sentenced in November and if convicted, he could face up to 5 years in prison. To date, the number is now 35 known victims of the e-Bay sales. Of the 35 known victims, 9 have received full restitution, 8 from Mr. Mayo and 1 from e-Bay. Mr. Mayo continues to make payments to individuals holding titles for vehicles purchased by the victims. It was the consensus of the Committee to conduct an informal fact-finding conference.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

- **Margie Greer.** An informal fact-finding conference was conducted on May 13, 2003 referencing Margie Greer and Margie's Auto Sales for the alleged violation of VA Code Section 46.2-1537 by allowing an unlicensed salesperson to sell vehicles through her dealership. Based on the testimony and evidence surrounding the case, the hearing officer recommended assessing a civil penalty of \$300.00 against Ms. Greer. It was also recommended that should she make a future application for a

dealer's or a salesperson's license, that the Board consider the actions of Ms. Greer as possible grounds for denial. (Ms. Greer is not currently licensed in Virginia)

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Bobby Joe Dotson to accept the hearing officer's recommendation to assess a civil penalty of \$300.00. Clyde King seconded. The motion passed unanimously.

- **George H. Lovelace and D & K Auto Sales.** An informal fact-finding conference was conducted on August 15, 2003 referencing George H. Lovelace and D & K Auto Sales for the alleged violation of VA Code Section 46.2-1539. It was alleged that Mr. Lovelace retailed a 1993 Ford Taurus in May of 2002, without having it inspected. Prior to this alleged violation, Mr. Lovelace was found guilty of two misdemeanors for engaging in business without a business license by the General District Court of the City of Danville in 1998 and 1999. The fines and costs imposed for those convictions totaled \$64.00 and 114.00. The Board's notice to Mr. Lovelace alleged that the underlying conduct for each of the convictions involved the business of selling motor vehicles violated VA Code Section 46.2-1575(9) and that Mr. Lovelace's conduct may have constituted deceptive practices in violation of VA Code Section 46.2-1575(6). Based on the testimony and evidence surrounding the case, the hearing officer recommended that the Board give Mr. Lovelace five business days to either prove the fines were paid or to satisfy all fines and costs. If he does not, then the recommendation should be to suspend Mr. Lovelace's salesperson's license until he presents the evidence satisfactory to the Board. He also recommended that the Board impose civil penalties totaling \$200 for the business license convictions and \$100.00 for the failure to inspect conviction.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Bobby Joe Dotson to accept the hearing officer's recommendation. Clyde King seconded. The motion passed unanimously.

- **Report on Variance Requests (Dealer Hours and Storage of Dealer Records).** Bruce Gould reported that there were 6 requests from dealers who requested to store their records off-site. Five were approved and 1 was denied, due to several record keeping infractions. He also indicated that 2 dealerships requested a variance in hours for medical reasons and both were granted.

NEW BUSINESS FROM THE FLOOR

The next meeting was scheduled for November 10, 2003.

The meeting adjourned at 9:59 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, July 14, 2003

Chairman Bobby Joe Dotson called the Dealer Licensing Committee meeting to order at 10:09 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were members Frank Pohanka, Steve Farmer, Todd Hyman, James Mitchell, Larry Shelor and Robert Woodall. (Absent: Rick Hunt and Al Lacy) Other members present: Ted Robertson, Leo Trenor, Clyde King, Hugh McCreight, Max Pearson, Pat Patrick, Vince Sheehy. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison and Katherine Idrissi represented the Dealer Board. Gail Morykon represented DMV. Rick Walton represented the Attorney General's Office.

The July 14, 2003 meeting summary was approved.

PUBLIC COMMENT:

There was no public comment.

OLD BUSINESS

Update: July Actions: Peggy Bailey updated the Committee on the following issue that was discussed at the July meeting: An informal fact finding conference was convened when the Board discovered that 5 sales consultants sold vehicles for Whitten Lincoln Mercury without being licensed. The Board reviewed and considered the facts and the evidence presented at the conference, and passed a resolution to assess Whitten Motor Company, Incorporated T/A Whitten Lincoln Mercury with a \$3,400 civil penalty. Mr. Whitten was notified of the Board's decision in a letter dated July 21, 2003. On July 25, 2003, the Board received a check in the amount of \$3,400.

OLD BUSINESS FROM THE FLOOR

- **Privacy Information.** Bruce Gould indicated to the Committee members that some of the information provided to them in their books are of a confidential nature, such as social security numbers and personal telephone numbers and staff has taken appropriate action to ensure the privacy of the individuals by marking out this information.

NEW BUSINESS

Review and Action: Formal Hearing:

- **Derrick L. Wayland, Sr.** A formal hearing was conducted on July 30, 2003 referencing Margie Greer and Margie's Auto Sales for the alleged violation VA Code Section 46.2-1575(9). On November 21, 2002, Mr. Wayland attended an informal fact-finding conference in which the hearing officer of that procedure found Mr. Wayland in violation of VA Code Section 46.2-1575(9) and assessed a civil penalty of \$250. At the May meeting, the Board did not accept that recommendation, rather the Board adopted a resolution revoking Mr. Wayland's salesperson's license. On June 12, 2003, Mr. Wayland appealed that decision and requested a formal hearing. Based on the testimony and evidence surrounding the case, the hearing officer recommended that Mr. Wayland's salesperson's license be suspended for six (6) months.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Bobby Joe Dotson to follow the original Board's resolution to revoke Mr. Wayland's salesperson's license. Todd Hyman seconded. The motion passed unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for November 10, 2003.

The meeting adjourned at 10:16 a.m.

Meeting Summary
Advertising Committee
Monday, September 8, 2003

Chairman Vince Sheehy called the Advertising Committee meeting to order at 10:18 a.m. in Room 702, at DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were members Ted Robertson, Steve Farmer, Hugh McCreight, Pat Patrick, Max Pearson, Larry Shelor. (Absent: Rick Hunt and Chris Schroeder). Other Board members present: Leo Trenor, Larry Woodall, Todd Hyman, Frank Pohanka, James Mitchell, Clyde King, Bobby Joe Dotson. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison and Katherine Idrissi represented the Dealer Board. Gail Morykon represented DMV. Rick Walton represented the Attorney General's Office.

The July 14, 2003 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

- **Review of Dealer Advertisements.** Bruce Gould presented 5 advertisements for review. After individually going over each advertisement, the following direction was given to staff:
 - When advertising the price of a vehicle in the body of the advertisement and that price, includes all rebates and incentives, the disclaimer cannot simply state something like "prices includes all rebates and incentives". Each rebate or incentive must be listed either in the body of the advertisement or in the disclaimer in such a way that the reader (consumer) can determine which rebates/incentives they can qualify for.
 - Advertisements that state a monthly payment that is based on a "balloon" payment must state in the body of the advertisement (near the payment statement) that there is a balloon payment.

NEW BUSINESS FROM THE FLOOR

The next meeting will be November 10, 2003.

The meeting adjourned at 11:14 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, September 8, 2003

Vice-Chairman Bobby Joe Dotson called the Transaction Recovery Fund Committee meeting to order at 11:28 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were members Steve Farmer, Clyde King, Larry Shelor and Leo Trenor (Absent: Al Lacy and Chris Schroeder. Other Board members present: Ted Robertson, Carlton Courter, Vince Sheehy, Robert Woodall, Frank Pohanka, Jim Mitchell, Pat Patrick, Max Pearson and Hugh McCreight. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison and Katherine Idrissi represented the Dealer Board. Gail Morykon represented DMV. Rick Walton represented the Attorney General's Office.

The July 14, 2003 summary was approved.

PUBLIC COMMENT:

There was no public comment.

OLD BUSINESS

- **Update: July Actions.** Peggy Bailey indicated that the issue of Shanique Eason and Diamond Kar Kare was tabled to the September meeting to determine if the two vehicle would be considered two separate transactions, plus the claimant was to provide written confirmations from SunTrust and 1st Advantage Federal Credit Union of the specific amounts she is responsible for in connection with the purchase of the two vehicles. Confirmation has been received from both financial sources indicated that she is still be responsible for the payments.

Mr. Jermaine Palmer spoke on behalf of Shanique Eason. Mr. Palmer indicated that the vehicles remain immobile because the vehicles cannot be registered and titled. Ms. Eason is still responsible for the loans of the two vehicles. Ms. Eason only wants to pay the vehicles off in hopes of getting the titles and getting the vehicles properly registered. Only one vehicle's title has been found at this time.

- **Update: Shanique L. Eason and Diamond Kar Kare.** This was a tabled issue from the July meeting. In a letter dated July 24, 2003, Ms. Eason was notified that her claim against Diamond Kar Kare was tabled to the September meeting. It was requested of her to provide written proof that she is still being held responsible for repaying the monies borrowed from SunTrust and 1st Advantage Federal Credit Union for purchasing the Jeep and Oldsmobile. The proof requested must include the purpose for which she borrowed the monies. It was requested to have this proof by August 25, 2003 so that the material could be included with the Board member's information, which was mailed to them on July 24, 2003. The proof was received on August 29, 2003.

Motion was made by Leo Trenor to pay the claims and treat them as two separate issues and pay them as two separate claims. Larry Shelor seconded. The motion passed unanimously.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for November 10, 2003.

The meeting adjourned at 11:51 a.m.